

04002242
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

AR 2/27/2004

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**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8 52661

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING 01/01/03 AND ENDING 12/31/03
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: INTERNATIONAL EQUITY SERVICES, INC.

OFFICIAL USE ONLY

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

FIRM I.D. NO.

95 CHURCH STREET SUITE A

(No. and Street)

WHITE PLAINS

NY

10601

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

MR. PAUL DOS SANTOS

914-949-9183

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

KIRSCHNER & PASTERNAK LLP

(Name - if individual, state last, first, middle name)

8 BOND STREET SUITE 100

GREAT NECK

NY

11021

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

☒ Certified Public Accountant

☐ Public Accountant

☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 05 2004

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**THOMSON
FINANCIAL**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

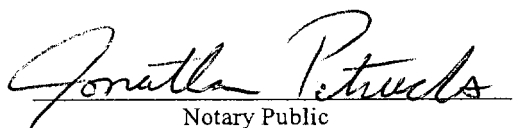
SEC 1410 (06-02)

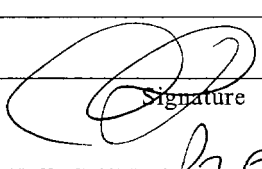
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WKS

OATH OR AFFIRMATION

I, _____, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of INTERNATIONAL EQUITY SERVICES, INC. _____, as of DECEMBER 31, 2003, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


Notary Public


Signature
JONATHAN F. PETRUCHA Title
Notary Public, State of New York
No. 01PE6059727
Qualified in Westchester County
Commission Expires June 4, 2007

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☐ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☒ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

****For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).**

**FORM
X-17A-5**

FOCUS REPORT

(Financial and Operational Combined Uniform Single Report)

Schedule I

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17

Report for period beginning 01/01/2003 and ending 12/31/2003
[8005] [8006]

SEC File Number: 52661
[8011]

Firm ID: 104203

1. Name of Broker Dealer: INTERNATIONAL EQUITY SERVICES,
[8020]

2. Name(s) of broker-dealer(s) merging with respondent during reporting period:

Name: _____	Phone: _____
[8053]	[8057]
Name: _____	Phone: _____
[8054]	[8058]
Name: _____	Phone: _____
[8055]	[8059]
Name: _____	Phone: _____
[8056]	[8060]

3. Respondent conducts a securities business exclusively with registered broker-dealers: Yes ☐ No ☒ [8073]

4. Respondent is registered as a specialist on a national securities exchange: Yes ☐ No ☒ [8074]

5. Respondent makes markets in the following securities:

(a) equity securities	Yes <input type="radio"/> No <input checked="" type="radio"/> [8075]
(b) municipals	Yes <input type="radio"/> No <input checked="" type="radio"/> [8076]
(c) other debt instruments	Yes <input type="radio"/> No <input checked="" type="radio"/> [8077]

6. Respondent is registered solely as a municipal bond dealer: Yes ☐ No ☒ [8078]

7. Respondent is an insurance company or an affiliate of an insurance company: Yes ☐ No ☒ [8079]

8. Respondent carries its own public accounts: Yes ☐ No ☒ [8084]

9. Respondent's total number of public customer accounts:

(carrying firms filing X-17A-5 Part II only)

(a) Public customer accounts

0
[8080]

10. Respondent clears its public customer and/or proprietary accounts:

Yes ☐ No ☒ [8085]

11. Respondent clears its public customer accounts in the following manner:

(a) Direct Mail (New York Stock Exchange Members Only)

☐ [8086]

(b) Self Clearing

☐ [8087]

(c) Omnibus

☐ [8088]

(d) Introducing

☒ [8089]

(e) Other

☐ [8090]

(f) Not Applicable

☐ [8091]

12.

Yes ☐ No ☒ [8100]

(a) Respondent maintains membership(s) on national securities exchange(s):

(b) Names of national securities exchange(s) in which respondent maintains memberships:

(1) American

☐ [8120]

(2) Boston

☐ [8121]

(3) CBOE

☐ [8122]

(4) Midwest

☐ [8123]

(5) New York

☐ [8124]

(6) Philadelphia

☐ [8125]

(7) Pacific Coast

☐ [8126]

(8) Other

☐ [8129]

13. Employees:

(a) Number of full-time employees

2
[8101]

(b) Number of full-time employees registered representatives employed by respondent included in 13(a)

2
[8102]

14. Number of NASDAQ stocks respondent makes market

0
[8103]

15. Total number of underwriting syndicates respondent was a member

0
[8104]

16. Number of respondent's public customer transactions:

Actual ☐ Estimate ☒

(a) equity securities transactions effected on a national securities exchange

[8107]

(b) equity securities transactions effected other than on a national securities exchange

[8108]

17. Respondent is a member of the Securities Investor Protection Corporation

Yes ☒ No ☐ [8111]

18. Number of branch offices operated by respondent

0
[8112]

19.

Yes ☐ No ☒ [8130]

(a) Respondent directly or indirectly controls, is controlled by, or is under common control with a U.S. bank

(b) Name of parent or affiliate

[8131]

(c) Type of institution

[8132]

20. Respondent is an affiliate or subsidiary of a foreign broker-dealer or bank

Yes ☐ No ☒ [8113]

21.

Yes ☐ No ☒ [8114]

(a) Respondent is a subsidiary of a registered broker-dealer

(b) Name of parent

[8116]

22. Respondent is a subsidiary of a parent which is not a registered broker or dealer

Yes ☐ No ☒ [8115]

23. Respondent sends quarterly statements to customers pursuant to Rule 10b-10(b) in lieu of daily or immediate confirmations:

Yes ☐ No ☒ [8117]

* Required in any Schedule I filed for the calendar year 1978 and succeeding years.

24. Aggregate Dollar Amount of Non-Exempted OTC Sales of Exchange-Listed Securities Done by Respondent During the Reporting Period

0
[8118]

N.A.S.D. Miscellaneous Information

Annual Municipal Income

0
[8151]

**FORM
X-17A-5****FOCUS REPORT**

(Financial and Operational Combined Uniform Single Report)

Part IIA Quarterly 17a-5(a)

INFORMATION REQUIRED OF BROKERS AND DEALERS PURSUANT TO RULE 17

COVER

Select a filing method:

Basic ☒ Alternate ☐ [0011]

Name of Broker Dealer:

INTERNATIONAL EQUITY SERVICES,

[0013]

SEC File Number: 8- 52661Address of Principal Place of
Business:95 CHURCH STREET

[0020]

[0014]

WHITE PLAINS NY 10601

[0021] [0022]

[0023]

Firm ID: 104203

[0015]

For Period Beginning 10/01/2003

[0024]

And Ending 12/31/2003

[0025]

Name and telephone number of person to contact in regard to this report:

Name: JERRY KEENAN Phone: (914) 949-9183

[0030]

[0031]

Name(s) of subsidiaries or affiliates consolidated in this report:

Name: NONE Phone: _____

[0032]

[0033]

Name: _____ Phone: _____

[0034]

[0035]

Name: _____ Phone: _____

[0036]

[0037]

Name: _____ Phone: _____

[0038]

[0039]

Does respondent carry its own customer accounts? Yes ☐ [0040] No ☒ [0041]Check here if respondent is filing an audited report ☐ [0042]

Consolidated [0198] Unconsolidated [0199]

	Allowable	Non-Allowable	Total
1. Cash	4,840 [0200]		4,840 [0750]
2. Receivables from brokers or dealers:			
A. Clearance account	9,482 [0295]		9,482 [0810]
B. Other	[0300]	[0550]	0 [0830]
3. Receivables from non-customers	[0355]	[0600]	0 [0830]
4. Securities and spot commodities owned, at market value:			
A. Exempted securities	[0418]		
B. Debt securities	[0419]		
C. Options	[0420]		
D. Other securities	[0424]		
E. Spot commodities	[0430]		0 [0850]
5. Securities and/or other investments not readily marketable:			
A. At cost	[0130]		
B. At estimated fair value	[0440]	[0610]	0 [0860]
6. Securities borrowed under subordination agreements and partners' individual and capital securities accounts, at market value:	[0460]	[0630]	0 [0880]
A. Exempted securities	[0150]		
B. Other securities	[0160]		
7. Secured demand notes market value of collateral:	[0470]	[0640]	0 [0890]
A. Exempted			

securities

[0170]

B. Other securities

[0180]

8. Memberships in exchanges:

A. Owned, at market

[0190]

B. Owned, at cost

[0650]

C. Contributed for use
of the company, at
market value

[0660]

0
[0900]9. Investment in and receivables
from affiliates, subsidiaries
and associated partnerships

[0480]

[0670]

0
[0910]10. Property, furniture, equipment,
leasehold improvements and
rights under lease
agreements, at cost-net of
accumulated depreciation and
amortization

[0490]

[0680]

0
[0920]

11. Other assets

[0535]

[0735]

0
[0930]

12.

14,322

0

14,322

TOTAL ASSETS

[0540]

[0740]

[0940]

LIABILITIES AND OWNERSHIP EQUITY

Liabilities	A.I. Liabilities	Non-A.I. Liabilities	Total
13. Bank loans payable	[1045]	[1255]	0 [1470]
14. Payable to brokers or dealers:			
A. Clearance account	[1114]	[1315]	0 [1560]
B. Other	[1115]	[1305]	0 [1540]
15. Payable to non-customers	[1155]	[1355]	0 [1610]
16. Securities sold not yet purchased, at market value		[1360]	0 [1620]
17. Accounts payable, accrued liabilities, expenses and other	2,500 [1205]	[1385]	2,500 [1685]
18. Notes and mortgages payable:			
A. Unsecured	[1210]		0 [1690]
B. Secured	[1211]	[1390]	0 [1700]
19. Liabilities subordinated to claims of general creditors:			
A. Cash borrowings:		[1400]	0 [1710]
1. from outsiders			
	[0970]		
2. Includes equity subordination (15c3-1(d)) of			
	[0980]		
B. Securities borrowings, at market value:		[1410]	0 [1720]
from outsiders			
	[0990]		
C. Pursuant to secured demand note collateral agreements:		[1420]	0 [1730]
1. from outsiders			
	[1000]		
2. Includes equity			

[1010]

Ownership Equity

[illegible]

STATEMENT OF INCOME (LOSS)

Period Beginning 10/01/2003
[3932]

Period Ending 12/31/2003
[3933]

Number of months _____ 3
[3931]

REVENUE

- | | | |
|----|---|------------------|
| 1. | Commissions: | |
| | a. Commissions on transactions in exchange listed equity securities executed on an exchange | [3935] |
| | b. Commissions on listed option transactions | [3938] |
| | c. All other securities commissions | [3939] |
| | d. Total securities commissions | 0
[3940] |
| 2. | Gains or losses on firm securities trading accounts | |
| | a. From market making in options on a national securities exchange | [3945] |
| | b. From all other trading | [3949] |
| | c. Total gain (loss) | 0
[3950] |
| 3. | Gains or losses on firm securities investment accounts | [3952] |
| 4. | Profit (loss) from underwriting and selling groups | [3955] |
| 5. | Revenue from sale of investment company shares | 40,606
[3970] |
| 6. | Commodities revenue | [3990] |
| 7. | Fees for account supervision, investment advisory and administrative services | [3975] |
| 8. | Other revenue | 220
[3995] |
| 9. | Total revenue | 40,826
[4030] |

EXPENSES

- | | | |
|-----|--|------------------|
| 10. | Salaries and other employment costs for general partners and voting stockholder officers | [4120] |
| 11. | Other employee compensation and benefits | 19,500
[4115] |
| 12. | Commissions paid to other broker-dealers | 1,206
[4140] |
| 13. | Interest expense | [4075] |
| a. | Includes interest on accounts subject to subordination agreements | [4070] |
| 14. | Regulatory fees and expenses | [4195] |
| 15. | Other expenses | 25,166
[4100] |
| 16. | Total expenses | 45,872
[4200] |

NET INCOME

- 5,046

17. Net Income(loss) before Federal Income taxes and items below (Item 9 less Item 16)	[4210]
18. Provision for Federal Income taxes (for parent only)	[4220]
19. Equity in earnings (losses) of unconsolidated subsidiaries not included above	[4222]
a. After Federal income taxes of	[4238]
20. Extraordinary gains (losses)	[4224]
a. After Federal income taxes of	[4239]
21. Cumulative effect of changes in accounting principles	[4225]
22. Net income (loss) after Federal income taxes and extraordinary items	-5,046 [4230]
MONTHLY INCOME	
23. Income (current monthly only) before provision for Federal income taxes and extraordinary items	-4,091 [4211]

EXEMPTIVE PROVISIONS

25. If an exemption from Rule 15c3-3 is claimed, identify below the section upon which such exemption is based

A. (k)

(1)--Limited business (mutual funds and/or variable annuities only)

☐ [4550]

B. (k)

(2)(i)--"Special Account for the Exclusive Benefit of customers" maintained

☐ [4560]

C. (k)

(2)(ii)--All customer transactions cleared through another broker-dealer on a fully disclosed basis. Name of clearing firm(s)

☒ [4570]

Clearing Firm SEC#s

Name

Product Code

8- 45123

SOUTHWEST SECURITIES, INC.

Other [4335B]

[4335A]

[4335A2]

8-

[4335D]

[4335C]

[4335C2]

8-

[4335F]

[4335E]

[4335E2]

8-

[4335H]

[4335G]

[4335G2]

8-

[4335J]

[4335I]

[4335I2]

D. (k)

(3)--Exempted by order of the Commission

☐ [4580]

3. Options	[3730]	
	190	
4. Other securities	[3734]	
D. Undue Concentration	[3650]	
E. Other (List)		
	[3736A]	[3736B]
	[3736C]	[3736D]
	[3736E]	[3736F]
	0	-190
	[3736]	[3740]
10. Net Capital		11,632
		[3750]

COMPUTATION OF BASIC NET CAPITAL REQUIREMENT

Part A

11. Minimum net capital required (6-2/3% of line 19)	166
	[3756]
12. Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed in accordance with Note(A)	5,000
	[3758]
13. Net capital requirement (greater of line 11 or 12)	5,000
	[3760]
14. Excess net capital (line 10 less 13)	6,632
	[3770]
15. Excess net capital at 1000% (line 10 less 10% of line 19)	11,382
	[3780]

COMPUTATION OF AGGREGATE INDEBTEDNESS

16. Total A.L. liabilities from Statement of Financial Condition	2,500
	[3790]
17. Add:	
A. Drafts for immediate credit	
	[3800]
B. Market value of securities borrowed for which no equivalent value is paid or credited	
	[3810]
C. Other unrecorded amounts(List)	
	[3820A]
	[3820B]
	[3820C]
	[3820D]
	[3820E]
	[3820F]
	0
	[3820]
19. Total aggregate indebtedness	2,500
	[3840]

21
[3850]

OTHER RATIOS

0
[3860]

SCHEDULED WITHDRAWALS

Ownership Equity and Subordinated Liabilities maturing or proposed to be withdrawn within the next six months and accruals, (as defined below), which have not been deducted in the computation of Net Capital.

Type of Proposed Withdrawal or Accrual	Name of Lender or Contributor	Insider or Outsider	Amount to be Withdrawn (cash amount and/or Net Capital Value of Securities)	Withdrawal or Maturity Date (MMDDYYYY)	Expect to Renew
[4600]		[4602]			
	[4601]		[4603]	[4604]	[4605]
[4610]		[4612]			
	[4611]		[4613]	[4614]	[4615]
[4620]		[4622]			
	[4621]		[4623]	[4624]	[4625]
[4630]		[4632]			
	[4631]		[4633]	[4634]	[4635]
[4640]		[4642]			
	[4641]		[4643]	[4644]	[4645]
[4650]		[4652]			
	[4651]		[4653]	[4654]	[4655]
[4660]		[4662]			
	[4661]		[4663]	[4664]	[4665]
[4670]		[4672]			
	[4671]		[4673]	[4674]	[4675]
[4680]		[4682]			
	[4681]		[4683]	[4684]	[4685]
[4690]		[4692]			
	[4691]		[4693]	[4694]	[4695]
TOTAL \$			0		
			[4699]		

Omit Pennies

Instructions Detail listing must include the total of items maturing during the six month period following the report date, regardless of whether or not the capital contribution is expected to be renewed. The schedule must also include proposed capital withdrawals scheduled within the six month period following the report date including the proposed redemption of stock and payments of liabilities secured by fixed assets (which are considered allowable assets in the capital computation pursuant to Rule 15c3-1(c)(2)(iv)), which could be required by the lender on demand or in less than six months.

Withdrawal Code	Description
1	Equity Capital
2	Subordinated Liabilities
3	Accruals
4	15c3-1(c)(2)(iv) Liabilities

STATEMENT OF CHANGES

STATEMENT OF CHANGES IN OWNERSHIP EQUITY
(SOLE PROPRIETORSHIP, PARTNERSHIP OR CORPORATION)

1.	Balance, beginning of period		16,868
			[4240]
	A. Net income (loss)		-5,046
			[4250]
	B. Additions (includes non-conforming capital of	[4262])	[4260]
	C. Deductions (includes non-conforming capital of	[4272])	[4270]
2.	Balance, end of period (From item 1800)		11,822
			[4290]

STATEMENT OF CHANGES IN LIABILITIES SUBORDINATED
TO CLAIMS OF GENERAL CREDITORS

3.	Balance, beginning of period		[4300]
	A. Increases		[4310]
	B. Decreases		[4320]
4.	Balance, end of period (From item 3520)		0
			[4330]